



UNITED STATES POSTAL INSPECTION SERVICE

Strategic Plan
Fiscal Years
1998–2002

KENNETH J. HUNTER
Chief Postal Inspector



To the United States Postal Service Board of Governors, the Postmaster General and the Members of the Postal Community:

Throughout its more than 200-year history, the United States Postal Inspection Service has had a tradition of innovative, effective and results-oriented law enforcement activities. In this five-year strategic plan, we describe how this organization will continue that record of achievement while preparing itself for the challenge of enforcing federal statutes in the 21st century.

While this document meets the intent of the Government Performance and Results Act of 1993 and fulfills the mandate of Public Law 104-208, it also serves a larger purpose: to share with our employees and other stakeholders our vision of the future, and to map our path for establishing success. I'm proud to share it with you.

The Postal Inspection Service plays an integral role in supporting the United States Postal Service's mission to provide secure, affordable, reliable and efficient universal postal service vital to American commerce and to individual communication. Every business day, the Postal Service is called upon to deliver over 600 million pieces of mail containing information, products, payments and personal letters whose safe and timely delivery the American public expects. By striving to protect the postal system from fraud, theft, violence and other criminal acts, the Postal Inspection Service helps to ensure the integrity of the mail and the Postal Service.

Over the next five years, the Postal Service has committed to growing its business by introducing new products and services, adopting new technologies, improving processes and enhancing postal workplaces throughout the country. Our challenge is to ensure that growth is not threatened by loss of the postal system's integrity. We must focus on our crime prevention efforts and continue to develop our community-oriented law enforcement model as the best means to reduce criminal activity and address root causes. We must enhance our investigative capabilities. We need to build the technological expertise necessary to combat 21st century crime, and improve our internal processes.

This strategic plan directs the Postal Inspection Service on a path of greater productivity and emphasizes our commitment to provide innovative and customer-focused service. Such a path will allow us to deliver the types of value-added results for the Postal Service that its leadership expects: increased customer confidence, a safer and more productive workplace environment, decreased revenue loss and better cost management. Such a path will preserve and enhance our ability to fulfill our mission by providing investigative, security, audit and preventive services.

As our plan demonstrates, this five-year effort begins with the establishment of goals that will mark progress in satisfying our customers, in improving the effectiveness of the Postal Inspection Service and the Postal Service at large, and in strengthening the organization's financial performance. Proactive, customer-focused, committed to adding value, accountable — these are the qualities we will embrace as we follow this strategic plan. We will be driven by the Postal Service's three-year-old performance management system, *CustomerPerfect!*, a system that sets performance targets annually and assures that we guide our planning by listening to customers and the federal law enforcement agencies with whom we collaborate.

The environment in which the Postal Inspection Service operates is increasingly complex, interdependent and inter-related. We will continue to create opportunities for those we serve to come together in the workplace, in the criminal justice community, and in the vast business and residential communities to address common interests and achieve collaborative solutions to the challenges faced by the Postal Service and the American public.

A handwritten signature in black ink that reads "K. J. Hunter".

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Executive Summary

The United States Postal Inspection Service's five-year strategic plan begins in the 1998 fiscal year and continues through 2002. The Inspection Service plan is aligned with the United States Postal Service's five-year plan. Both are legislatively mandated and have been developed in consultation with — and submitted to — the Congress. Like the Postal Service's strategic plan, the Inspection Service plan addresses the organization's mission, and outlines a vision for its future. Like the Postal Service plan, the Inspection Service's strategic document lists the organization's broad goals, the strategies that support the achievement of those goals, and the performance indicators and annual targets that will be used to measure progress towards the goals. In this plan, the Inspection Service outlines the challenges and external factors that could affect its ability to realize these goals, and describes the system — based on the Postal Service's performance management system — that will be used to manage the strategies and to ensure that the goals, indicators and targets are appropriate and focused.

THE MISSION

For more than two centuries, the Postal Inspection Service's role has been to preserve the public's trust in postal services, delivery and products. Currently, over 200 federal statutes help define the law enforcement mission of the Inspection Service. The organization's mission has been refined over the years by the Congress, by the federal statutes relating to the mail, and by the needs and requirements of the Postal Service and its customers. Today, the Inspection Service has evolved into a modern law enforcement agency whose mission is:

To ensure the integrity of the mail and the Postal Service by providing investigative, security, audit and preventive services, and by enforcing federal statutes that protect the mail, postal employees, customers and assets.

The organizational vision — the role the Inspection Service expects to play in the next five years — takes into account the transformation of the Postal Service itself. Businesslike, committed to innovation and customer satisfaction, results-oriented and cost conscious, the Postal Service will require an Inspection Service that addresses challenges proactively, that provides a global perspective to postal law enforcement, and that embraces efforts to transform the federal government by identifying and implementing best practices. In this context, the Postal Inspection Service's vision for its five-year future is:

To be a primary contributor to the Postal Service's evolution into the safest, most secure, effective and productive service in the federal government and the markets that it serves. Our law enforcement efforts will be customer-focused, innovative and results-oriented, utilizing leading-edge technology and continuous improvement. Our highly skilled workforce will embody personal, professional and organizational pride.

The Inspection Service defines its guiding principles, or values, as integrity, independence, responsibility, accountability, people and excellence.

THE INSPECTION SERVICE TODAY

Today's Postal Inspection Service uses leading-edge technologies, a community-oriented law enforcement model, and sophisticated investigative methods to not only record a remarkably high conviction rate on the cases it pursues, but also to build effective crime prevention programs and initiatives nationwide. The Inspection Service meets its wide-ranging responsibilities with a nationwide complement of 4,500 employees. Approximately 2,200 are postal inspectors, 1,400 are uniformed postal police officers, and 900 are professional support associates.

Following the establishment of the Office of the Inspector General (OIG), the Inspection Service has worked closely with the new Inspector General and her staff to ensure a smooth transition of OIG functions. The chart on page 6 describes the responsibilities of the OIG and the Inspection Service.

THE GOALS, STRATEGIES AND INDICATORS FOR 2002

The Inspection Service's goals fall into the same three broad categories as those in the Postal Service plan: customer satisfaction, employees' and organizational effectiveness, and financial performance. The Inspection Service's five-year goals were developed through a planning process that began three years ago and incorporated input from employees as well as internal and external customers. The Postal Service refers to its three broad — or corporate — goal categories as "voices". The term emphasizes that these goal categories are driven by and focused on data and input, listening carefully to stakeholders. The Inspection Service relies on this data and input to determine how to direct services and resources and align its goals with the Postal Service categories: *Voice of the Customer*, *Voice of the Employee* and *Voice of the Business*. The Customer category centers on customer satisfaction and the achievement of superior customer value. The Employee

category focuses on employees' and organizational effectiveness, aligning human resources with agency goals by having the right people in the right place with the right tools at the right time. And the Business category focuses on financial performance to assure the Postal Service's commercial viability and bottom-line results. Within the three Postal Service goal categories, the Inspection Service has identified seven organizational goals.

Customer Goals and Strategies.

The Customer goals are to increase postal customer confidence in the use of the mail and improve Postal Service performance. The strategies underlying these goals are to prevent theft and misuse of mail; to investigate and resolve violations; and to conduct service investigations and audits in coordination with the Office of the Inspector General, based on risk assessment and management input. Indicators include responses to customer satisfaction index surveys, the number of mail thefts, and the number of audit recommendations implemented. Targets have been — or are being — set against these indicators.

Employee Goals and Strategies.

The Employee goals are to ensure employee safety and enhance the Inspection Service workplace environment to improve organizational performance. The strategies underlying these goals are to reduce vulnerability of employees to robberies through criminal investigations, security systems and awareness programs; to prevent and investigate assaults and legitimate threats against postal employees; and to improve Inspection Service employee performance and promote positive workplace relationships. Indicators include number of robberies, number of assaults and legitimate threats, the extent of skill proficiencies, and employee survey findings. Targets have been — or are being — set against these indicators.

Business Goals and Strategies.

The Business goals are to prevent loss of revenue and assets, to reduce costs, and to improve Inspection Service technological capabilities. The strategies underlying these goals are to strengthen internal controls through audits and investigations; to identify revenue deficiencies and schemes to avoid payment of postage, and to pursue criminal, civil and administrative remedies; to prevent postal losses due to theft and other criminal attacks through security programs, investigations and recoveries; to conduct investigations and audits based on risk assessment and management input; to prevent and investigate abuses of the workers' compensation program, assisting the Postal Service in reducing Office of Workers' Compensation Program (OWCP) chargebacks; and to modernize the Inspection Service's information systems. Indicators include identified revenue losses, process and system improvements adopted, Postal Service losses in selected areas, the amount of savings adopted, fraudulent workers' compensation costs avoided, OWCP chargebacks

to the Postal Service, and the effectiveness and efficiency of the Inspection Service's information systems. Targets have been — or are being — set against these indicators.

THE MANAGEMENT SYSTEM

The Inspection Service's *CustomerPerfect!* management system supports its efforts to develop strategies and performance targets. At the operations level, strategies are expanded into action plans, action steps, and tasks that are undertaken to implement strategies. The *CustomerPerfect!* management system provides a practical method for achieving performance goals. The framework developed by the Inspection Service achieves continuous improvement for fiscal years 1998–2002 through an annual cycle of four activities:

Establish, when goals, strategies, indicators and targets are set at the headquarters level; *Deploy*, when goals, strategies, indicators and targets are communicated to the field and annual targets are set; *Implement*, when action is taken by the field to achieve agreed-upon targets; and *Review*, the formal process to monitor progress toward targets and share lessons learned.

THE CHALLENGES

Challenges and external factors that could affect the ability of the Inspection Service to achieve its goals and objectives include the rise of computer-enabled crime and the potential for technology to reshape the postal system itself, the globalization of both the postal industry and criminal enterprises, the introduction of new products and services by the Postal Service, geographic and demographic shifts in criminal activity, and the need for legislation to continue to protect the mail, customers, employees and the Postal Service.

CONSULTATIONS WITH STAKEHOLDERS

The Postal Inspection Service's strategic plan was developed using a wide range of stakeholder input. In addition to input received throughout development of the Postal Service Strategic Plan, comments from other stakeholders have been solicited, including the Congress and the Office of the Inspector General. An early outline of this plan was distributed to all Inspection Service executives who were invited to contribute to the long-term planning process of the Inspection Service. The Inspection Service has an extensive network of partnerships with other federal law enforcement agencies, and to enhance the degree of formal consultation with key partners such as the Department of Justice, a copy of the completed plan was sent to heads of other federal law enforcement agencies to promote a series of strategic planning discussions. Additionally, this document has been posted to the Inspection Service web site on the Internet at www.usps.gov/fyi/welcome.htm.

AUDIT

Office of Inspector General

Postal Inspection Service

- Financial statements, including:
 - overall opinion audits
 - quality reviews of Inspection Service work
- Postal-wide performance reviews
- Contract audits, except pre-award and post-award audits
- Developmental audits
- Facility audits, including:
 - facilities construction contracts of \$10 million or more
 - right of first choice on contracts valued between \$5 - \$10 million
 - leases of \$1 million or more
 - repair and alterations of \$1 million or more
- Revenue-focused audits (international mail)

- Financial statements, including installation and districts
- Area, district and local performance reviews
- Service investigations
- Pre-award and post-award contract audits
- Facility audits, including:
 - facilities construction contracts of \$5 million or less
 - contracts between \$5-\$10 million not performed by IG
 - leases under \$1 million
 - repair and alterations under \$1 million

INVESTIGATIONS

- Revenue cases, including:
 - bribery, kickbacks, conflicts of interest
 - systemic reviews
- Workers' compensation cases, including:
 - IG subpoenas
 - program monitoring
- Tort claims, including:
 - serious incidents
 - liability reports
- Embezzlements (conduct/partner on cases of \$100,000 or more)
- Expenditure cases, including:
 - bribery, kickbacks, and conflicts of interest
 - systemic reviews
- Conduct/partner on cases involving executives
- Inspection Service internal affairs: executives
- Computer forensics
- Hotline

- Revenue cases, including:
 - revenue loss detection
 - shares with IG on revenue task force and other groups
- Primary responsibility for workers' compensation cases
- Tort claims
- Embezzlements under \$100,000
- Expenditure cases, including:
 - cases referred by IG
 - IMPAC card cases
 - local purchases or procurements
- Emergency responses on cases involving executives
- Internal and external crimes
- Employee protection
- Security
- Fraud and prohibited mailings
- Inspection Service internal affairs: non-executives
- Forensic and technical services

OTHER

- Additional OIG work:
- Oversight of the Postal Inspection Service
 - Postal rate-making programs and operations
 - Revenue generation
 - Labor management
 - Electronic commerce

I. The Mission: Ensure the Integrity of the Mail and the Postal Service

From Benjamin Franklin's first investigation in eighteenth century Philadelphia to prairie battles with train robbers and Pony Express ambushers, from the mail fraud convictions of elected officials to the successful investigations of financier Michael Milken and brokerage giant E.F. Hutton, from sting operations against child pornographers to audits designed to protect assets, reduce costs, improve processes and shorten cycle times, the United States Postal Inspection Service's historic role has been to preserve the public's trust in postal services.

This tradition dates to 1737, when British colonial authorities designated Benjamin Franklin as postmaster at Philadelphia with a mandate to begin "regulating the several post offices and bringing the postmasters to account." By 1775, Franklin had appointed William Goddard "Surveyor of the Post Office." Goddard's Surveyors became Special Agents in 1801, and in 1830 the Post Office Department established an Office of Instructions and Mail Depredations. That office's responsibilities included the drafting of postal laws, prosecution of violators of same, investigations of mail losses and "depredations", and tracing lost letters. It served as the predecessor of today's Postal Inspection Service, which investigates a similarly wide range of crimes.

Today, over 200 federal statutes help define the law enforcement mission of the Postal Inspection Service. Through its criminal investigation and security programs, the Inspection Service strives to keep the mail safe and to protect postal customers, postal employees and postal revenue and assets — just as it has for over two centuries.

The audit role also has been an important part of the Inspection Service's history. Audits steer the Postal Service towards process improvements and better cost management, verify compliance with financial controls, uncover fraud, and identify revenue losses. Although modified, the audit role continues today, in coordination with the newly created Office of the Inspector General.

The mission of the Postal Inspection Service, as refined over the years by the Congress, by the federal statutes relating to the mail, and by the needs and requirements of the Postal Service and its customers, is:

To ensure the integrity of the mail and the Postal Service by providing investigative, security, audit and preventive services, and by enforcing federal statutes that protect the mail, postal employees, customers and assets.

While this mission is deeply rooted in the history of both the Inspection Service and the Postal Service, the organizational vision — the role it expects to achieve in the next five years — takes into account the transformation of the Postal Service itself. Businesslike, committed to innovation and customer satisfaction, results-oriented and cost conscious, the Postal Service will require an Inspection Service that

addresses challenges proactively, that provides a global perspective on postal law enforcement, and that embraces efforts to transform the federal government by identifying and implementing best practices within law enforcement. In this context, the Postal Inspection Service's vision for its five-year future is:

To be a primary contributor to the Postal Service's evolution into the safest, most secure, effective and productive service in the federal government and the markets that it serves. Our law enforcement efforts will be customer-focused, innovative and results-oriented, utilizing leading-edge technology and continuous improvement. Our highly skilled workforce will embody personal, professional and organizational pride.

In fulfilling this vision, the Inspection Service will expand existing partnerships and develop new ones with stakeholders, service providers, and other governmental, non-governmental and civic organizations.

A commitment to problem-solving and a community-oriented law enforcement model¹ will help define the organization's values to meet the needs of stakeholders. Its values are embodied in a set of guiding principles. These principles will continue to guide the establishment of the organization's goals and strategies and the way they will be implemented. The principles are:

Integrity -

We will be worthy of the trust given us by the Postal Service, the Congress, and postal customers. We will act with integrity in every encounter and relationship with each stakeholder, and each other. We will maintain a standard of conduct above reproach.

Independence -

We will ensure the independence and objectivity of our investigations, audits and reviews, thus providing added value to all we serve.

Responsibility -

We will achieve the highest possible levels of satisfaction with every customer contact and meet the changing needs of the communities we serve and protect.

Accountability -

We will remain committed to serving as effective and responsible stewards of the dollars entrusted to us. We will continue to be efficient and results-oriented. We will measure and report our progress in achieving our goals.

People -

We will foster a highly skilled and valued workforce that embodies personal, professional, and organizational pride. Individual differences are considered organizational assets. We remain committed to providing a trusting and open environment conducive to individual dignity, mutual respect, and self-motivation. Teamwork and participation by employees in decision making and daily operations will be essential.

Excellence -

We will stand for continuous improvement and positive change, seeking breakthroughs in what we do and how we work. Each of us will bring our finest efforts to bear on each task and each endeavor. We will continually strive for better, faster and simpler ways to serve our customers, achieve our goals, and improve our performance.

In conclusion, the future — as envisioned in the Postal Service's five-year strategic plan — is seen as challenging but offering a critically important role for the Postal Service in the American — and global — economy. This is a future that offers opportunity for the Postal Inspection Service. Over the next five years, the Inspection Service will help to ensure the integrity of the mail and the Postal Service. In doing so, the organization will provide a foundation for the Postal Service's success as it enters a new century of offering value to its customers.

¹ Community-oriented law enforcement is a proactive, decentralized approach designed to more effectively: 1) control crime, 2) improve community relations, and 3) provide essential law enforcement services. It is a dynamic rather than a static enterprise and is a model for solving problems. It is a strategy for long-term rather than short-term change.

II. The Inspection Service Today

INTRODUCTION

Today's Postal Inspection Service uses leading-edge technologies, a community-oriented law enforcement model, and sophisticated investigative methods to not only record a remarkably high conviction rate on the cases it pursues, but also to build effective crime prevention programs and initiatives nationwide. Whether investigating a mail bombing in rural Alaska, collaborating with other agencies on a task force investigating telemarketing frauds against the elderly, or breaking up an international child pornography ring being run out of a palatial villa in Acapulco, Mexico, the Inspection Service operates at the highest level of professional success.

Thefts of mail used to take over new identities, violence against postal employees, scams that defraud, illegal drug mailings, embezzlements...these are the types of challenges faced by America's oldest federal law enforcement agency. The Postal Inspection Service helps to meet these challenges of protecting the mail and the Postal Service by continually delivering services such as the analysis of robbery patterns in high-crime neighborhoods to protect letter carriers and clerks, and the design of high-tech security measures to protect assets at thousands of post offices across the country.

The Postal Inspection Service historically has aggressively enforced federal statutes involving the country's mail, and works in close partnership with other federal law enforcement agencies, with investigative agencies based in other countries, and with state and local authorities. The Inspection Service conducts criminal investigations that are results-oriented rather than incident-driven and which provide the underpinning of the "reliable" services mandated by the Postal Reorganization Act of 1970. Those investigations,

along with the organization's security and audit activities, address assaults and threats, robberies, burglaries, narcotics, plant and asset security, civil disorders and natural disasters, mail theft, mail fraud, mail bombs, child pornography, money laundering, international postal security, workers' compensation fraud and postal revenue and expenditures. The Inspection Service develops and supports crime prevention and consumer education programs in its efforts to prevent victimization, as well as solve crimes.

Throughout 1997, the Inspection Service worked closely with the newly created Office of Inspector General (OIG) to ensure a smooth transition of OIG functions. Continual liaison with the OIG in 1998 and beyond will ensure successful implementation of that organization's mandate. The chart on page 6 describes the responsibilities of the OIG and the Inspection Service.

THE ORGANIZATION

The Inspection Service meets its wide-ranging responsibilities with a nationwide complement of 4,500 employees. Approximately 2,200 are postal inspectors, 1,400 are uniformed postal police officers, and 900 are professional support associates.

The Inspection Service maintains 180 field offices in the United States and its territories. Postal police officers staff 56 worksites at major postal installations. The headquarters office is organized into functional groups that report to four Deputy Chief Inspectors. Field operations comprise divisions led by Inspectors in Charge, who report to two Deputy Chief Inspectors for Field Operations. Headquarters and field operations are supported by five Operations Support Groups. Forensic laboratories at five sites support

investigations with state-of-the-art skills and technology. All offices are linked electronically, and have access to the National Law Enforcement Telecommunications System and the National Crime Information Center.

The Inspection Service conducts many of its investigations through partnerships with federal, state and local law enforcement officials. This approach is consistent with Department of Justice philosophy and is exemplified by Inspection Service membership on such committees as the Securities and Commodities Fraud Working Group, the Organized Crime Council, the International Policy Committee of the International Association of Chiefs of Police, the Attorney General's Council on White Collar Crime, the National Health Care Anti-Fraud Association, the Financial Crimes Enforcement Network, the International Association of Financial Crimes Investigators, the Department of Justice and Treasury Asset Forfeiture Interagency Working Group, the National Law Enforcement Explorers Committee, and the National Sheriff's Association.

Inspectors also work with the Child Exploitation and Obscenity Section of the Department of Justice and the National Center for Missing and Exploited Children on child pornography cases; the Organized Crime Drug Enforcement Task Forces; and with the Standing Working Party on Offenses Against Minors, an international organization sponsored by Interpol. The Inspection Service supports the Postal Service in implementing its anti-money laundering program under the Bank Secrecy Act and is a key member of an interagency working group. Postal inspectors meet regularly with Postal Customer Councils and other customer groups to help identify and resolve issues of mutual concern.

ACCOMPLISHMENTS

Through its criminal investigations and audits, the Inspection Service provides a vital service to the American public, as well as a substantial return on the investment made by the Postal Service. In the last five years, the Inspection Service has made 26,304 arrests associated with mail theft nationwide. Investigations associated with postal robberies, employee assaults, post office burglaries, mail fraud, narcotics and bomb threats have produced similar noteworthy arrest results. (See Figure 2-1.)

Figure 2-1
ARRESTS BY INVESTIGATIVE AREA FOR
FISCAL YEARS 1993-1997

Mail Theft 26,304
Postal Robberies 731
Employee Assaults 2,656
Post Office Burglaries 1,240
Mail Fraud 8,535
Illegal Narcotics 10,600
Bombs and Threats 640

Figure 2-2
COMPARISON OF CREDIT CARD PURCHASE GROWTH
WITH FRAUD REDUCTION

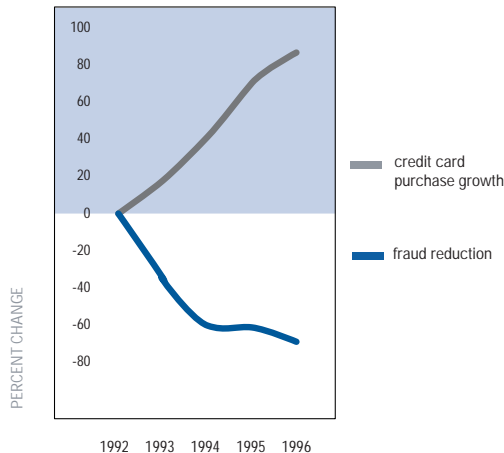
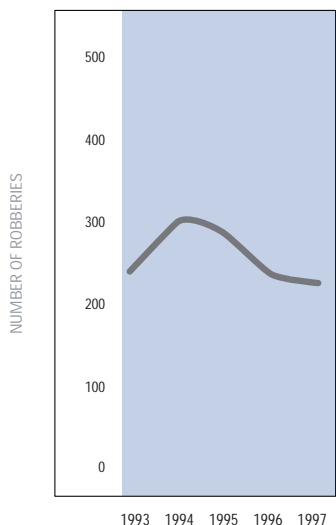


Figure 2-3
DECREASE IN POSTAL ROBBERIES DUE TO
INVESTIGATION AND PREVENTION EFFORTS



Through a combination of law enforcement and security efforts, fraud attributed to credit cards stolen from the mail has dropped 68 percent since 1992, even though total credit card transactions increased 98 percent. Figure 2-2 illustrates these accomplishments achieved in partnership with the credit card mailing industry. And, since the enactment of the Child Protection Act of 1984, postal inspectors have conducted investigations resulting in the arrest of more than 2,546 alleged child molesters and pornographers.

In the past fiscal year, inspectors completed performance audits that identified opportunities for improvement which could yield annual savings of more than \$230 million. An additional \$250 million in annual savings has been proposed. Contract audits in 1997 resulted in postal management recovering or avoiding more than \$33 million in excessive contract costs. In the future, national system audits will be performed by the OIG, and contract audits will be conducted with oversight from the OIG.

Revenue investigations and financial audits in 1997 identified almost \$63 million in revenue deficiencies. Inspectors investigating workers' compensation fraud cases identified more than \$95 million in long-term and continuation-of-pay savings for the Postal Service. Internal investigations identified 527 employees accused of embezzling in excess of \$7 million. To protect postal customers, inspectors participated in investigations that resulted in court-awarded fines and restitution of almost \$329 million. And a \$12.3 million forfeiture case was filed following the discovery of an alleged illegal foreign lottery scheme.

To safeguard the workplace and employees, inspectors in the past year investigated 1,505 assaults and legitimate threats. They aggressively investigated 226 robberies, a five-year low. (See Figure 2-3.) To further reduce these types of incidents, inspectors arranged for the installation of 491 robbery countermeasure systems. Inspectors coordinated the installation of high-security locks on over 1,300 Postal Service mail receptacles in Phoenix, AZ alone, and investigated the burglaries of 501 post offices across the country. They also identified 429 contractors and 1,414 employees who either stole, delayed or destroyed mail. In addition, 4,304 non-postal employees were arrested for theft or possession of stolen mail.

The Inspection Service also collaborated with its counterparts in a number of countries to improve global customer service and the security of international mail. Much of this activity has been conducted under the umbrella of the Universal Postal Union Postal Security Action Group, which is chaired by the Inspection Service. In the past few years, inspectors also served as security consultants to postal administrations in numerous countries representing every region of the world, and trained more than 1,000 foreign postal and law enforcement officials.

III. Goals and Strategies for 2002

INTRODUCTION

Using the Postal Service's five-year strategic plan as its model, the Postal Inspection Service has developed a set of organizational goals, strategies, performance indicators and targets (see Table 3-5) that support the Postal Service's goals and strategies. The Inspection Service's goals fall into the same three broad categories stated in the Postal Service plan: customer satisfaction, employees' and organizational effectiveness, and financial performance.

The Inspection Service's five-year goals were developed through a planning process that began three years ago using the Postal Service's performance management system, *CustomerPerfect!*, and incorporated input from employees and both internal and external customers. The goals allow the Inspection Service to align and focus its activities, core processes and resources to help ensure the integrity of the mail and the postal system. Additionally, these goals guide the development of specific performance measures (indicators and targets). The goal-setting process begins with an organizational review and evaluation of the prior year's performance. The review and evaluation identify achievements as well as problem areas to be addressed by senior management. Where no measures exist today, the Inspection Service will develop them using the *CustomerPerfect!* management system.

GOAL CATEGORIES: THE THREE-VOICE STRUCTURE

The Postal Service refers to its three corporate goal categories as "voices". The term emphasizes that these goal categories are driven by and focused on data and input, listening

carefully to stakeholders. The Inspection Service relies on such data and input to determine how to direct services and resources, and to align its goals with the Postal Service categories: Voice of the Customer, Voice of the Employee, and Voice of the Business. Within the three goal categories, the Inspection Service has identified seven organizational goals. The goals are illustrated in Table 3-1 to the right.

To achieve these goals, the Inspection Service will enforce federal statutes governing the mail while helping to improve postal services, the workplace environment, and financial performance. Supporting these goals are a series of strategies that further clarify the Inspection Service's law enforcement, security and audit role in the Postal Service. These strategies highlight the critical actions necessary to achieve each goal.

INCREASE CUSTOMER CONFIDENCE AND IMPROVE POSTAL SERVICE PERFORMANCE

Inspection Service Customer strategies and indicators speak directly to confidence in the mail and Postal Service performance. They address concerns of the public that strike at the heart of the mail and Postal Service integrity: that is, that items mailed will be received by the intended addressee intact, that items received through the mail will not be dangerous or injurious, that the mail will continue to be a safe and secure method to carry out commerce, and that the mail will not be used to further illegal activities.

Mail theft significantly affects the integrity of the mail, and volume thefts², in particular, have a high impact on customer confidence. Inspection Service efforts address these concerns through continuous adjustment to the changing

² Volume theft is an attack on any Postal Service vehicle, mail collection box, or other defined receptacle for the purpose of stealing a quantity of mail.

Table 3-1

POSTAL INSPECTION SERVICE GOALS

Postal Service Goal Category	Inspection Service Goal Statements
Voice of the Customer: Improve customer satisfaction by offering superior customer value in each market and customer segment that we target.	Increase customer confidence in the use of the mail. Improve Postal Service performance.
Voice of the Employee: Improve employees' and organizational effectiveness by having the right people in the right place with the right tools at the right time to consistently provide superior customer value and ensure commercial viability in a dynamic market.	Ensure employee safety. Enhance the Inspection Service workplace environment to improve organizational performance.
Voice of the Business: Improve financial performance to assure our commercial viability as a service provider for the worldwide movement of messages, merchandise and money.	Prevent loss of revenue and assets. Reduce costs. Improve Inspection Service technological capabilities.

postal environment. In the past, for example, checks issued by government agencies were a favorite target of mail thieves. Today, there are fewer government-issued checks in the mail, and new targets of choice for the mail thief include credit/debit cards, personal checks and other information needed by criminals who intend to assume someone else's identity. These activities create unique challenges for both the Inspection Service and the financial community. Not only is the monetary loss staggering, but this type of crime exacts a high emotional toll for the victims. The Inspection Service will maintain a key strategic focus on increasing customer confidence by preventing mail theft, and investigating and solving those crimes when they occur.

Since the earliest days, the mail has been relied on to conduct the commerce of the nation. To ensure continuation of this tradition, the mail must be regarded as a safe method to conduct business. In cooperation with the Department of Justice and the Postal Service Law Department, the Inspection Service will continue to protect consumers and businesses by ensuring the mail is not used as a conduit for fraudulent activity. The mail must be as free of fraud and corruption as possible. Continuing emphasis will be given to traditional mail fraud schemes, as well as those that emerge as a result of technological advancements, including the Internet. In addition, mail bombers and illegal narcotics mailers pose significant risks to customer confidence and will receive attention under the confidence goal.

Significant Inspection Service partnerships with customers will continue to focus on confidence in the use of the mail. For example, the success of the continuing collaboration with the credit card mailing industry in reducing the amount of credit card fraud resulting from stolen mail has led to more recent initiatives with the mail order and rebate industries. These initiatives, as well as the development of other projects to address major customer segments, will continue throughout the planning period.

Users of the mail demand improved performance, and the Inspection Service's customer goals address that expectation. The Inspection Service historically has provided internal audit services to postal management to increase efficiency and effectiveness of postal operations. During the planning period, area, district and local management will be the focus of Inspection Service audit resources. The annual audit plan — developed in coordination with the Office of the Inspector General (OIG) audit plan — is based on organizational risk assessment as well as area, district and local management requests, and continues to be the driver for Inspection Service audit attention. The OIG will perform all functions involving systemic and developmental reviews, and a transfer of designated audit functions will be completed within the five-year planning period.

The Customer strategies will be implemented with an expanding global perspective. International Inspection Service efforts to prevent crime, protect customers and

preserve mail integrity have been — and will continue to be initiated and carried out through collaboration with international postal authorities and investigative agencies.

Inspection Service strategies supporting Customer goals are shown in Table 3-2 below:

<p>Table 3-2</p> <p>CUSTOMER GOALS AND STRATEGIES</p>	
<p>Inspection Service Goal:</p> <p>Increase customer confidence in the use of the mail.</p>	
<p>Strategy 1:</p> <p>Prevent theft and misuse of the mail. Investigate and resolve violations.</p>	
<p>Inspection Service Goal:</p> <p>Improve Postal Service performance.</p>	
<p>Strategy 2:</p> <p>Conduct service investigations and audits based on risk assessment and management input.</p>	

Strategy 1: Prevent theft and misuse of the mail. Investigate and resolve violations.

Over the next five years, the Inspection Service will:

- Increase favorable responses to the Customer Satisfaction Index (CSI) survey by targeting a 78 percent favorable response for fiscal year 1998. The CSI questions regarding customer confidence will be validated with the Office of Consumer Advocate in 1999 and targets set for future years. The business CSI will be developed in 1998, with a pilot target set in 1999.
- Reduce the number of volume thefts, with a 1998 target of no more than 3,243, and achieve a five percent reduction in 1999, based on the previous five-year average.

Strategy 2: Conduct service investigations and audits based on risk assessment and management input.

Over the next five years, the Inspection Service will:

- Develop a baseline in 1998 regarding the number of audit recommendations implemented, use a pilot target in 1999, and set new improvement targets for the years that follow.
- Develop a baseline in 1998 regarding audit CSI favorable responses, develop and pilot a target in 1999, and set future targets for the following years.

ENSURE EMPLOYEE SAFETY AND ENHANCE THE INSPECTION SERVICE WORKPLACE ENVIRONMENT

The Employee strategies and indicators reinforce the fact that the Postal Service workforce is the organization's most valuable asset. Postal employees deserve to work in a safe and secure environment. The more than 800,000 employees are significant stakeholders in Inspection Service activities. Safeguarding these employees from criminal activity is a key component of the Inspection Service's mission and is addressed through several investigative and security programs. Threats and assaults against postal employees, robberies, mail bombs and narcotics distribution have and will continue to receive priority attention by postal inspectors.

Using the community-oriented law enforcement model, the Inspection Service will continue its significant prevention and investigative commitment of resources to workplace safety. Inspectors will participate in local threat assessment teams, forging stronger relationships with management and employee groups on facility security and other matters of common interest. While immediate response and aggressive investigation of incidents of violence are necessary, preventive efforts are considered to be of greatest importance. Included within our prevention efforts will be the deployment of staffed security at selected postal facilities.

The goal of ensuring employee safety has led to the installation of robbery countermeasure hardware in many high-risk post offices. In those areas where there is a high incidence of robbery, partnerships with community groups will also be expanded as community involvement continues to prove effective in ensuring the safety of letter carriers.

Narcotics distribution is another safety focus. Postal employees have the right to work in a drug-free environment, without the violence and turmoil that often accompany illegal drugs. The Inspection Service will provide investigative attention to the sale and distribution of illegal drugs in the workplace.

Internally, the Inspection Service will strengthen its human resource management, with the goals of both improving employee performance and promoting positive relationships among employees. There will be an increased commitment to providing an environment that values individual dignity, mutual respect and self-motivation.

Leadership in employee recruitment, selection and development will align individual and organizational expectations and needs. To improve overall proficiency levels, thereby improving the organization's abilities to meet strategic business needs, the Inspection Service, led by a newly-created Office of Professional Standards and Resource Development, will focus attention in four broad areas:

Workforce Strategic Planning -

The Inspection Service will build and maintain a highly skilled and broadly diverse workforce.

Executive Resource and Leadership Development -

To promote leadership skills for its executives, the Inspection Service will develop, track and evaluate candidates for supervisory, managerial and executive positions.

Employee Development -

The organization will enhance employee development through strategic focus training, new developmental processes and activities, measures for overall job effectiveness and job satisfaction, and human relations and personnel management opportunities.

Skill Proficiency Assessment -

The Inspection Service will assess its needs, mission and future expectations, and develop custom-designed training programs using traditional and alternative delivery methods to achieve designated targets.

Inspection Service strategies supporting the Employee goals are presented in Table 3-3 below.

Table 3-3
EMPLOYEE GOALS AND STRATEGIES

Inspection Service Goal: Ensure employee safety.
Strategy 1: Reduce vulnerability of employees to robberies through criminal investigations, security systems and awareness programs.
Strategy 2: Prevent and investigate assaults/credible threats.
Inspection Service Goal: Enhance the Inspection Service workplace environment to improve organizational performance.
Strategy 3: Improve Inspection Service employee performance and promote positive workplace relationships.

Strategy 1: Reduce vulnerability of employees to robberies through criminal investigations, security systems and awareness programs.

Over the next five years, the Inspection Service will:

- Reduce the vulnerability of employees, beginning with a 1998 target of not more than 244 robberies, based on a five-year average. The target in 1999 will be a five percent reduction, also using a five-year average, with improvement targets to be set for future years.

Strategy 2: Prevent and investigate assaults/credible threats.

Over the next five years, the Inspection Service will:

- Reduce the assaults and credible threats against postal employees, with a 1998 target of not more than 1,632, based on a five-year average. The 1999 target will be a five percent reduction using a previous five-year average, with improvement targets to be set for future years.

Strategy 3: Improve Inspection Service employee performance and promote positive workplace relationships.

Over the next five years, the Inspection Service will:

- Improve its capacity to develop skill proficiencies of current support specialists, postal police officers and postal inspectors; and to recruit new employees with the skills needed to perform successfully throughout the planning period. Results will be measured by overall goal achievement and proficiency assessment in selected areas.
- Use employee survey results by developing an appropriate survey and piloting it in 1999. With baseline data in place, targets to enhance the workplace environment will be set for subsequent years. Results will be measured through analysis of responses in selected areas.

PREVENT LOSS OF REVENUE AND ASSETS, REDUCE COSTS AND IMPROVE INSPECTION SERVICE TECHNOLOGICAL CAPABILITIES

The Postal Service's annual operating revenues totaled approximately \$58.2 billion in fiscal year 1997, and procurements amounted to approximately \$7 billion. These funds, and the related financial systems, represent considerable opportunity for internal control breakdowns, revenue deficiencies, fraud and theft. The Inspection Service's three Business goals have been developed to help prevent the loss of postal revenues and assets, to support the Postal Service's efforts to better manage its costs, and to improve the Inspection Service's information systems to ensure organizational success.

By integrating risk assessment and investigative services with its security and prevention programs, the Inspection Service will help prevent postal losses arising from theft and other

criminal activity. For example, security expertise in assessing internal controls will be provided throughout development of new product and service initiatives. Similarly, Inspection Service revenue investigations will address nonpayment of postage resulting from misrepresentations, false claims, inadequate record-keeping and errors in mail preparation and acceptance.

The Inspection Service goal to reduce postal system costs is aligned with the Postal Service's five-year strategic plan. The Inspection Service's audit workload plan is developed in coordination with the Office of Inspector General (OIG) and postal management, and is part of the overall OIG audit plan. The plan is based upon a risk assessment process that addresses the safeguarding of assets, compliance with laws and regulations, and opportunities to improve field processes and program efficiencies.

Improvement within the Inspection Service is the focus of the third Business goal — a commitment by the Inspection Service to become a leader in the implementation of effective information systems. The goals, strategies, process improvements and legislative changes highlighted in this plan will require the leveraging of information technology to enable dramatic business change and to achieve the goals outlined. An organization-wide, computer-based information system will be designed and constructed, integrating all internal field operations with each other, and linking the Inspection Service with other federal law enforcement agencies.

It has long been recognized in business, industry and government that computer-based information systems have the potential to improve organizational effectiveness by empowering users to work more efficiently, thus driving costs down. Developing an effective and secure information system — essential to better planning, organizing and measuring an organization's activities — will require decisions not only on information architecture and technology, but also on how to achieve business value in return for the necessary investment. Constructing and maintaining an integrated system that complements the motivation, knowledge and skills of employees will foster more efficient and effective use of human and capital resources. Such a system is a cornerstone of the five-year plan's goal to improve law enforcement capabilities to address the challenges of the 21st century.

Inspection Service strategies supporting the Business goals are presented in Table 3-4 below:

Table 3-4 BUSINESS GOALS AND STRATEGIES	
	Inspection Service Goal: Prevent loss of revenue and assets.
	Strategy 1: Strengthen internal controls through audits and investigations. Identify revenue deficiencies and schemes to avoid payment of postage; pursue criminal, civil and administrative remedies.
	Strategy 2: Prevent postal losses due to theft and other criminal attack through security programs, investigations and recoveries.
	Inspection Service Goal: Reduce costs.
	Strategy 3: Conduct investigations and audits based on risk assessment and management input.
	Strategy 4: Prevent and investigate abuses of the workers' compensation program; assist the Postal Service in reducing OWCP chargebacks.
	Inspection Service Goal: Improve Inspection Service technological capabilities.
	Strategy 5: Modernize Inspection Service information systems.

Strategy 1: Strengthen internal controls through audits and investigations. Identify revenue deficiencies and schemes to avoid payment of postage; pursue criminal, civil and administrative remedies.

Over the next five years, the Inspection Service will:

- Continue its focus on the identification of revenue losses by setting a target to identify at least 290 revenue losses in excess of \$10,000 for 1998. This target is based on identifications and trend analysis over the past two years. In 1998, a risk assessment of postal revenue sources will be completed and the 1999 target will be based on the results.
- Measure its effectiveness by management's adoption of process and system improvement recommendations. In 1998, it will develop a baseline and target for 1999, pilot that target in 1999, and set improvement targets in subsequent years.

Strategy 2: Prevent postal losses due to theft and other criminal attack through security programs, investigations and recoveries.

Over the next five years, the Inspection Service will:

- Measure for Postal Service losses in selected areas by establishing in 1998 a loss baseline and a target that reflects losses attributable to robberies, burglaries and other types of theft, pilot that target in 1999, and set improvement targets for the years that follow.

Strategy 3: Conduct investigations and audits based on risk assessment and management input.

Over the next five years, the Inspection Service will:

- Focus on the "amount of savings adopted" as a result of recommendations, establish a baseline and target for 1999, and set improvement targets for future years.

Strategy 4: Prevent and investigate abuses of the workers' compensation program; assist the Postal Service in reducing OWCP chargebacks.

Over the next five years, the Inspection Service will:

- Help the Postal Service avoid \$90 million in long-term fraudulent workers' compensation costs during 1998, \$98 million in 1999, and \$106 million in 2000. These targets are based on cost avoidance and trend analysis over the past two years. Targets for future years must be set following an assessment of system improvements that reduce the potential for OWCP fraud.
- Reduce Office of Workers' Compensation Program chargebacks to the Postal Service, with not more than \$531.6 million in 1998 (as established by the Postal Service), and set targets in consultation with the Postal Service for the years that follow.

Strategy 5: Modernize Inspection Service information systems.

Over the next five years, the Inspection Service will reengineer its computer-based information systems to establish an integrated architecture and realign business systems to:

- Build and manage an infrastructure that will lower the cost of information acquisition, broaden the distribution of information, and raise the knowledge and competence of all employees.
- Establish a timeline with projected completion dates for system analysis, design, programming, testing and data conversion, and include ongoing system maintenance and management.
- Ensure that all user groups within the Inspection Service are represented in the planning, design and implementation processes for the new system.
- Establish indicators and targets in 1998 that will measure progress toward this goal in 1999 and in future years.

Table 3-5: Postal Inspection Service: Goals, Strategies, Indicators, and Targets
1998–2002

IMPROVE CUSTOMER SATISFACTION

POSTAL SERVICE GOAL	INSPECTION SERVICE GOAL	STRATEGIES	INDICATORS	FY 1998 TARGETS FOR IMPROVEMENT	FY 1999 TARGETS FOR IMPROVEMENT	FY 2000 TARGETS FOR IMPROVEMENT	FY 2001 TARGETS FOR IMPROVEMENT	FY 2002 TARGETS FOR IMPROVEMENT
IMPROVE CUSTOMER SATISFACTION	INCREASE CUSTOMER CONFIDENCE IN THE USE OF THE MAIL	Prevent theft and misuse of mail. Investigate and resolve violations	Response to Customer Satisfaction Index (CSI) and business CSI questions	78% Favorable CSI	CSI questions to be validated	Improvement targets to be set for future years		
				BCSI in development for FY 1999	Pilot BCSI in FY 1999	Improvement targets to be set for future years		
			Volume thefts	Not more than 3243	5% reduction of 5-year average	Improvement targets to be set for future years		
	IMPROVE POSTAL SERVICE PERFORMANCE	Conduct service investigations and audits based on risk assessment and management input.	Number of audit recommendations implemented	In development for FY 1999	Pilot in FY 1999	Improvement targets to be set for future years		
			Response to audit CSI questions	In development for FY 1999	Pilot in FY 1999	Improvement targets to be set for future years		
						Improvement targets to be set for future years		

IMPROVE EMPLOYEES' AND ORGANIZATIONAL EFFECTIVENESS

POSTAL SERVICE GOAL	INSPECTION SERVICE GOAL	STRATEGIES	INDICATORS	FY 1998 TARGETS FOR IMPROVEMENT	FY 1999 TARGETS FOR IMPROVEMENT	FY 2000 TARGETS FOR IMPROVEMENT	FY 2001 TARGETS FOR IMPROVEMENT	FY 2002 TARGETS FOR IMPROVEMENT
IMPROVE EMPLOYEES' AND ORGANIZATIONAL EFFECTIVENESS.	ENSURE EMPLOYEE SAFETY	Reduce vulnerability of employees to robberies through criminal investigations, security systems and awareness programs.	Number of robberies	Not more than 244	5% reduction of 5-year average	Improvement targets to be set for future years		
		Prevent and investigate assaults/credible threats	Number of assaults/credible threats	Not more than 1632	5% reduction of 5-year average	Improvement targets to be set for future years		
	ENHANCE THE INSPECTION SERVICE WORKPLACE ENVIRONMENT TO IMPROVE ORGANIZATIONAL PERFORMANCE	Improve Inspection Service employee performance and promote positive workplace relationships.	Skill proficiencies	In development for FY 1999	Pilot in FY 1999	Improvement targets to be set for future years		
			Employee surveys	In development for FY 1999	Pilot in FY 1999	Improvement targets to be set for future years		
						Improvement targets to be set for future years		
						Improvement targets to be set for future years		

IMPROVE FINANCIAL PERFORMANCE

POSTAL SERVICE GOAL	INSPECTION SERVICE GOAL	STRATEGIES	INDICATORS	FY 1998 TARGETS FOR IMPROVEMENT	FY 1999 TARGETS FOR IMPROVEMENT	FY 2000 TARGETS FOR IMPROVEMENT	FY 2001 TARGETS FOR IMPROVEMENT	FY 2002 TARGETS FOR IMPROVEMENT
IMPROVE FINANCIAL PERFORMANCE	PREVENT LOSS OF REVENUE AND ASSETS	Strengthen internal controls through audits and investigations. Identify revenue deficiencies and schemes to avoid payment of postage; pursue criminal, civil and administrative remedies.	Revenue losses identified	Identify 290 revenue losses > \$10,000. Conduct risk assessment of Postal revenue sources	To be determined based on risk assessment results	Improvement targets to be set for future years		
			Process and system improvements adopted	In development for FY 1999	Pilot in FY 1999	Improvement targets to be set for future years		
		Prevent postal losses due to theft and other criminal attack through security programs, investigations, and recoveries.	Measure for Postal Service losses in selected areas	In development for FY 1999	Pilot in FY 1999	Improvement targets to be set for future years		
	REDUCE COSTS	Conduct investigations and audits based on risk assessment and management input.	Amount of savings adopted	In development for FY 1999	Pilot in FY 1999	Improvement targets to be set for future years		
		Prevent and investigate abuses of the workers' compensation program; assist the Postal Service in reducing OWCP chargebacks	Fraudulent workers' compensation costs avoided	\$90 million	\$98 million	\$106 million	Improvement targets to be set for future years	
			OWCP chargebacks to Postal Service	Not more than \$531.6 million	Improvement targets to be set for future years			
	IMPROVE INSPECTION SERVICE TECHNOLOGICAL CAPABILITIES	Modernize Inspection Service information systems	Measure for effectiveness and efficiency of information systems	In development for FY 1999	Pilot in FY 1999	Improvement targets to be set for future years		

IV. Management System and Measurement

CUSTOMERPERFECT!

The *CustomerPerfect!* management system supports the Inspection Service's effort to give direction to the organization and to build and sustain improved performance against goals. A management cycle of planning, implementation and review provides a practical and tangible method for achieving goals. The management system is built on an annual cycle of four activity phases:

Establish -

Goals, strategies, indicators and targets — designed to support Postal Service corporate goals — are set at the headquarters level. The data that guide this activity include current year performance results, trend analyses and future forecasts. Long-term and next-year goals are finalized by senior management during the *Establish* activity phase.

Deploy -

The organizational goals, strategies, indicators and targets are communicated to the field, and a negotiation process called “catchball” is used to reach agreement on field programs and activities to achieve targets. This involves top-down and then bottom-up communication until there is agreement on targets and resources. During the *Deploy* activity phase, field and headquarters management incorporate the budget-setting process to ensure alignment with the strategic direction.

Implement -

At the beginning of each fiscal year — after national targets have been established and field divisions have agreed to target deployment — the Inspection Service implements the programs and activities designed to achieve the targets.

Review -

During this activity phase, field and headquarters management monitor progress toward targets and adjust actions accordingly. The primary objective is to learn what happened and why, what worked well, what did not work well; and to document best practices that should be replicated throughout the Postal Service and Inspection Service. Throughout the year, the organization reviews progress of programs and activities that are being implemented, and ensures appropriate steps are taken to achieve organizational goals.

The Postal Service is currently in the third year of using the *CustomerPerfect!* management system. Table 4-1 summarizes the chronology of this approach as it will be used by the Inspection Service.

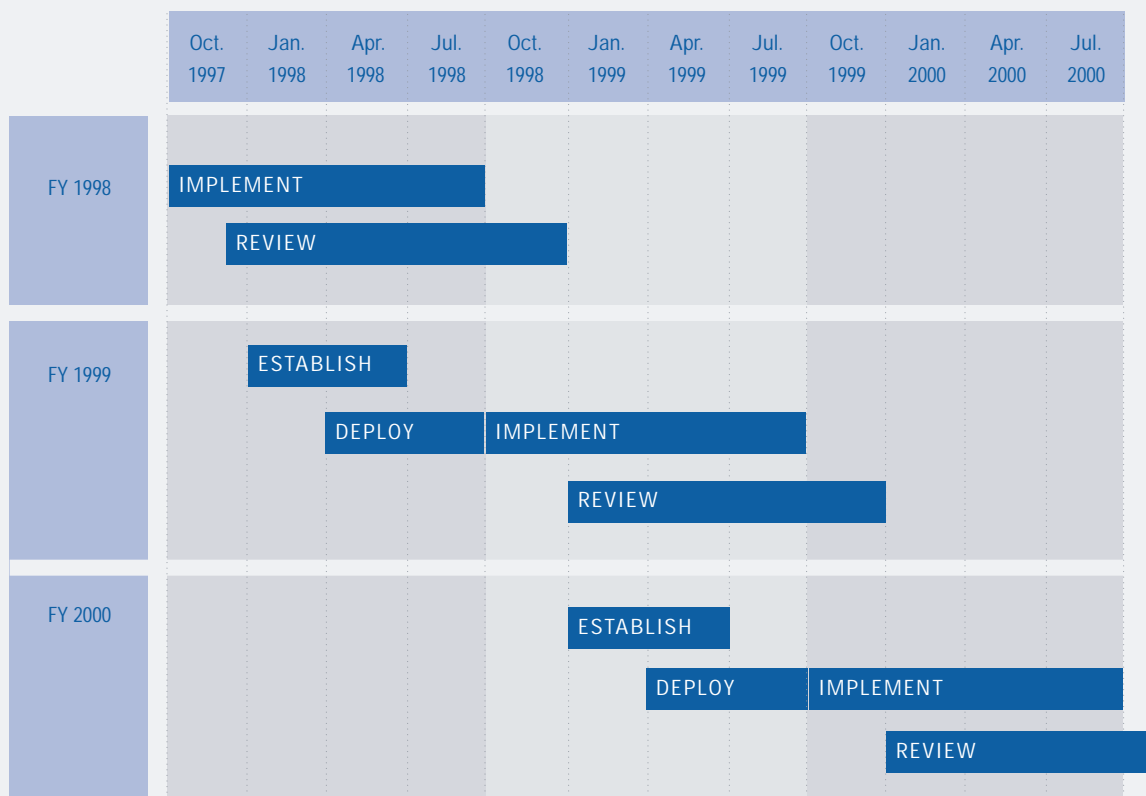
QUALITATIVE MEASUREMENTS

The credibility of the Inspection Service's law enforcement initiatives ultimately rests with their effectiveness. The selection of quantifiable indicators that permit monitoring of progress toward targets is essential. Yet measures of success cannot be limited to only that which is quantifiable. Difficult-to-measure factors and so-called “intangibles” must also be identified.

Traditional law enforcement indicators such as incidents of crime, arrests, prosecutions, solution rates and recoveries do not, by themselves, assess the effectiveness of organizational strategies. While traditional indicators can assess effectiveness in solving a particular problem, meeting stakeholder needs requires preventing victimization through effective community-oriented law enforcement and often speaks to

Table 4-1

POSTAL INSPECTION SERVICE ANNUAL MANAGEMENT CYCLE



the need for changes in attitudes, perceptions and other subjective measurements.

The following tools and indicators will be used to measure and improve the Inspection Service's qualitative efforts:

Customer Surveys -

External customer surveys, such as those conducted for CSI and BCSI by the Postal Service Consumer Advocate, provide data that can be compared over time. This data will contribute significantly to measuring the effectiveness of efforts to increase customer confidence in the use of the mail and to improve Postal Service performance. These surveys will allow postal customers to help define success about service and operational priorities.

Internal Surveys -

The key to successful customer focus and alignment of services is obtaining the commitment of all employees. Internal surveys will be conducted in a manner similar to external customer surveys. They will be administered to employees and used to determine progress toward improved employees' and organizational effectiveness.

Program Performance Evaluations -

The Inspection Service will evaluate programs to gain insight into the types of performance being reinforced. These evaluations will measure performance against organizational values.

Stakeholder Concerns for Improvement -

The type, frequency and severity of customer concerns are excellent measures of whether organizational values are driving the day-to-day activities of employees. The input of stakeholders, including the Department of Justice and law enforcement agency partners, will continually be sought and used as part of the annual management cycle to establish goals and revise strategies to achieve them.

V. Challenges and External Factors

In addition to the challenges and external factors outlined in the Postal Service Strategic plan, other factors may surface that could affect Inspection Service strategies to achieve these goals. The Government Performance and Results Act, in its description of the strategic plan model, dictates that such challenges and external factors be discussed as an integral part of a five-year plan. In this section, the Inspection Service follows that model by discussing several of these challenges and factors.

COMPUTERS AND TECHNOLOGY

Computer-enabled crime is on the rise, and criminals have an increasingly sophisticated understanding of the capabilities of technology to assist them in their efforts to steal postal revenue, use the mail to defraud and support the filing of false claims. The Inspection Service will, for example, need to address the anticipated growth of fraud schemes using the Internet that have a mail component. Moreover, advances in electronic communication media are altering the way businesses operate and individuals communicate, which could — in the future — reshape the postal system itself.

If regulators and the courts agree on the regulatory framework for the new information superhighway, and if the Postal Service becomes a significant participant in this new medium, then the Inspection Service will have to keep pace with security and operational requirements. This will require additional technical competence on the part of organizational resources. Faster and better communication, accessing more information networks, and connecting competent people globally are some of the challenges the Inspection Service will meet as technologies continue to advance.

Advances in technology will also impact the growth of mail volume for the Postal Service. Technological advances such as electronic commerce and electronic data interchange have affected the way the Postal Service must operate to stay competitive in the area of service, as well as cost containment. The federal government has mandated that most of its payments be made in the form of electronic funds transfers in the future. This will have a direct effect on the Postal Service and certain aspects of criminal investigations.

Customers are exploring communication alternatives such as the Internet, the World Wide Web, local area networks and e-mail. The Postal Service is developing ways to attract customers who want to venture into new electronic channels rather than traditional mail delivery. This trend will impact current strategies and place additional demands on the Inspection Service as it begins to study how emerging technology will affect its work in relation to crimes, criminal statutes and jurisdiction. The procurement of new equipment to support these initiatives will also necessitate a different approach to asset security.

GLOBALIZATION

As competition increases, the Postal Service's products and services will become more diversified in the international arena. A global economy is creating opportunities, as well as concerns for the Postal Service and other international businesses. The Postal Service is broadening its customer base to compete in the international arena. This globalization, in turn, is driven by technology, international market integration, domestic market saturation, and greater demand for access to Postal Service products and services by developed countries. The Inspection Service is already facing new mail security challenges in combating crimes associated with the globalization of the Postal Service.

Globalization of crime is a serious challenge. Organized criminal enterprises are establishing bases on virtually every continent. Expatriates closely linked to these enterprises travel and live in the United States, contributing to criminal activities such as fraud, money laundering and identity theft whose roots may be in another country, even when the crime itself is committed in the United States. The evidentiary trails of these crimes requires the Inspection Service to forge and maintain technological — as well as professional — relationships with international law enforcement agencies and foreign postal authorities.

NEW PRODUCTS AND SERVICES

The Postal Service's five-year strategic plan commits the Postal Service to the development and introduction of new products and services, which will pose challenges to the Inspection Service. For example, new products and services such as Point-of-Service One, an electronic retail sales device, as well as other highly automated systems, challenge the Inspection Service to provide enhanced internal security for automated environments, and protect new technologies from criminal attack. Appropriate security measures, developed through partnerships with other Postal Service organizations, must be used to minimize postal losses.

Additionally, as the Postal Service enters into strategic business alliances with other organizations to support the introduction of new products and services, those alliances will reshape the postal system and the way it operates. The Inspection Service, responsible for helping ensure the system's integrity, will have to adopt new practices and procedures to maintain an adequate level of vigilance over outside organizations which become an integral part of the postal system.

POPULATION DEMOGRAPHICS AND CRIME TRENDS

According to published reports, there will be a geographic shift in crime in the future. Crimes will be less neighborhood-oriented and will increase more quickly in the West and the Sunbelt than in older urban centers. The reason for this is clear. The U.S. Bureau of the Census identifies the ten fastest growing states since 1990 as Washington, Oregon, Idaho, Nevada, Utah, Colorado, Arizona, New Mexico, Texas, and Georgia. The largest age group in those resident populations is between 18 and 44 years old. Almost 80 percent of those arrested fall within that age group. The Inspection Service has the challenge of not only ensuring resources are properly placed to combat this projected shift in crime but also ensuring that the organization implements increased prevention, community-oriented law enforcement and other proactive measures to curtail this expected shift in the criminal element.

If the past years are used to predict the future, then there will likely be an increase in serious crimes. Published statistics show arrests for violent crimes by youths have jumped 91 percent since 1970. There are about 7.5 million males ages 14 to 17 in America today. Studies show that about six percent of young males are responsible for half of the violent crimes in their age group. Yearly drug arrests have more than doubled since 1980 and drug seizures have been on the rise. Criminals in general are becoming more violent and younger. The challenge will be to protect the postal environment from the expected increase in criminal activity.

REGULATORY AND ENFORCEMENT ISSUES

The Inspection Service must ensure that it has the legal authority to enforce federal criminal and civil laws applicable to the present and future Postal Service, its products and services. The Inspection Service will seek legislative amendments and pursue initiatives it believes are necessary to protect the mail as well as postal customers, employees and the Postal Service such as:

- Amend the postal burglary statute, 18 U.S.C. 2115, to cover post office boxes and postal vending machines that are not located within postal facilities.
- Amend the federal statutes related to the counterfeiting of stamps, 18 U.S.C. 501, and embezzlement of postal funds, 18 U.S.C. 1711, to include an "attempt" offense.
- Amend the federal confidentiality law, 18 U.S.C. 1905, to include government contractors and consultants.
- Amend 39 U.S.C. by adding Section 3017 to include administrative subpoena authority for false representation and mailability investigations.
- Amend 39 U.S.C. 3005 to increase protection for the American public from frauds and misrepresentation schemes; amend 39 U.S.C. 3012 to increase civil penalties; and amend 39 U.S.C. 3007 to permit the Postal Service to institute detention of mail responding to a false representation scheme.
- Introduce federal anti-stalking legislation to protect federal officers and employees from acts of violence arising from the performance of official duties.

VI. Consultations with Stakeholders

The Postal Inspection Service's strategic plan was developed using a wide range of stakeholder input. In addition to input received during development of the Postal Service Strategic Plan, comments from Inspection Service stakeholders have been solicited. An early outline of this plan was distributed to all Inspection Service executives, who were invited to contribute to the long-term planning process for the Inspection Service.

The Inspection Service has an extensive network of partners in other federal law enforcement agencies. To enhance the degree of formal consultation with key partners including the Department of Justice, a copy of this plan has been sent to the heads of other federal law enforcement agencies to promote a series of strategic planning discussions. Additionally, this document has been posted to the Inspection Service web site on the Internet at www.usps.gov/fyi/welcome.htm. Senior leadership of the Inspection Service will continue to be guided by input received through regular meetings with Congressional representatives and with senior postal management.

The following stakeholders were interviewed or given the opportunity to provide their views and suggestions regarding the role and responsibilities of the Inspection Service:

Congress

Senate Committee on Governmental Affairs
Senate Committee on the Judiciary
House Committee on the Judiciary
House Subcommittee on Crime
House Subcommittee on the Postal Service

Postal Service Board of Governors and Management

Postmaster General and Chief Executive Officer
Deputy Postmaster General
Chief Operating Officer
Chief Financial Officer
Chief Marketing Officer
Secretary to the Board of Governors
Inspector General

Unions and Management Associations

American Postal Workers' Union
Fraternal Order of Police, National Labor Council,
USPS No. 2
National Association of Letter Carriers
National Association of Postal Supervisors
National Association of Postmasters of the United States
National League of Postmasters of the United States
National Postal Mail Handlers' Union
National Rural Letter Carriers' Association

Mailer Associations

Advertising Mail Marketing Association
Direct Marketing Association, Inc.
Greeting Card Association
Promotion Fulfillment Corporation

Business/Government Customers

American Express Company
Doubleday Direct
Eastman Kodak Company
Fingerhut Corporation
New York State Consumer Protection Board
NOVUS Services, Inc.
Postal Rate Commission
The Franklin Mint
Total Systems Services, Inc.
U.S. Department of Justice
U.S. Department of the Treasury
U.S. Office of Consumer Affairs

